

MINUTE ITEM

This Calendar Item No. C77
was approved as Minute Item
No. 77 by the State Lands
Commission by a vote of 2
to 0 at its 7/11/97
meeting.

**CALENDAR ITEM
C77**

A 20
S 10

07/11/97
W 40732
A. Willard
J. Planck
E. Kruger

**CONSIDER MODIFICATION OF SURFACE ENTRY RIGHTS
AFFECTING LAND LOCATED AT THE AGNEWS
DEVELOPMENTAL CENTER (WEST FACILITY),
SANTA CLARA COUNTY**

BACKGROUND:

In April 1997, the Department of General Services (DGS) requested a mineral resource evaluation for the area of the West Facility at Agnews Development Center in the San Jose vicinity. The surrounding land to the Agnews West Facility (AWF) consists of typical suburban settings with numerous residential areas. The subject parcel contains approximately 82.50 acres (APN: 97-8-44) of State proprietary land located in portions of sections 22 and 23, T6S, R1W, MDM. The subject parcel is held by the DGS and has been declared surplus property. The DGS has recently entered into an agreement to sell a portion of the AWF to Sun Microsystems, Inc.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section 6401(b).
- B. Public Resources Code section 6403.
- C. Public Resources Code section 6404.

PERMIT STREAMLINING ACT DEADLINE:

N/A

OTHER PERTINENT INFORMATION:

1. The Commission staff concludes that there appears to be moderate potential for mineral resources from floodplain deposits including sand and gravel in the area of the Agnews West Facility. However, Commission staff further concludes that the feasibility of economic development for mineral resources is minimal. Therefore, overall, there is low potential for economic mineral resources development. The current surface development in the general area of the Agnews West Facility including residential areas would in all probability, preclude any surface

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development, such as sand and gravel operations. Commission staff recommends that the State should reserve the mineral interest, but that it is permissible under the circumstance to relinquish the right of surface entry to a depth of 500 feet below the surface of the property.

2. DGS will reimburse the Commission for staff time costs to prepare the mineral evaluation and other Commission documents.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBIT:

- A. Mineral Resource Potential Evaluation of Agnews West Facility, Santa Clara County and Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.
2. FIND THAT THERE ARE NO KNOWN DEPOSITS OF COMMERCIALY VALUABLE MINERALS IN AND ABOVE A PLANE LOCATED 500 FEET BELOW THE SURFACE OF THE PARCEL PROPOSED FOR SALE BY THE DEPARTMENT OF GENERAL SERVICES, AND THAT THE SALE MAY BE MADE WITH THE RESERVATION OF MINERAL RIGHTS AND MODIFICATION OF THE ACCOMPANYING RIGHTS OF SURFACE ENTRY IN AND ABOVE A PLANE LOCATED 500 FEET BELOW THE SURFACE OF THE PARCEL.

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3. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE SUCH DOCUMENTS AND STAFF TO COMPLETE SUCH MINISTERIAL TASKS AS ARE NECESSARY TO CARRY OUT THE PURPOSES OF THIS CALENDAR ITEM.

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Memorandum

To: J. W. Planck, Senior
Mineral Resources Engineer

Date: July 1, 1997

File Ref.: W 40732

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Subject: Mineral Resource Potential Evaluation of the Agnews Developmental Center West Campus Facility.

Background

On April 28, 1997, the Department of General Services' Office of Real Estate and Design Services (OREDS) requested a mineral resource potential evaluation of the Agnews West Campus facility, surplus land situated 1-2 miles west of the East Campus, evaluated for mineral potential in August 1996 with a finding of low potential. Staff gathered and reviewed available geologic information. OREDS' April 28th memo did not mention the acreage involved in the proposed West Campus transaction.

Mineral Resource Potential Evaluation

Agnews West Campus is located in portions of Sections 22 and 23, T6S, R1W, MDM. The general vicinity is composed of mostly typical suburban areas including residential and commercial developments. Geologically, the area of the West Campus is similar to East Campus, insofar as its transition zone indicators, situated between South Bay estuary saline mud deposits to the north and fragmented (detrital) stream sediments in the bed of the Guadalupe River less than a mile east and the stream-bed of Saratoga Creek less than a mile west. According to the San Jose sheet of the State Geologic Atlas, the material underlying the general area of the Agnews facility is Recent alluvium (Qal) including stream, tideland, fan and flood-plain deposits consisting of clay, sand and silt.

Of interest are the gravel pit symbols on the USGS San Jose, Calif. (1961) 15 minute quadrangle map located in the north half of Section 27, about a mile from the subject parcel and situated at the intersection of Montague Road and the Southern Pacific Railroad right-of-way. Apparently, there has been some mineral resource development in the vicinity of the West Campus. And with the existence of two stream-beds as a possible source for sand and gravel material near the subject parcel, it appears there may be moderate potential for mineral resources. However, staff's experience with respect to previous

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evaluations, even if there's some potential (moderate, high) for mineral resource development in typical suburban areas, acquiring an approved Conditional Use Permit from the county of record for mineral extraction operations would more than likely be difficult, especially with zoning for proposed operations covering a large area of surface disturbance.

In addition, although there appears to be a favorable geologic environment for a sand and gravel deposit that's been partially proved up for development by at least one mineral location near the Agnews facility, other parameters such as the quantity of reserves and quality of the material of the deposit could also be limiting factors reducing feasibility for development. The quantity of a deposit would be limited in area by its location. Growth in such areas as greater San Jose five to ten years into the future, as one of the faster growing areas in California, would mean even less Open Space zoning designations for development of minerals. This is particularly the case with sand and gravel operations, as they normally disturb a large surface area. Another obstacle includes transporting the mineral product through suburban neighborhoods with shopping centers, residences, schools and hospitals.

Moreover, the quality of the material may be questionable since underlying Bay estuary material with probably above-normal salinity could render the sand and gravel material unusable for construction projects, since the salinity may reduce the material's capacity to meet specifications of the construction industry for standard Portland cement. Another factor that could reduce quality of the material is related to suburban growth that's utilizing the open area of a potential sand and gravel deposit for a trash heap.

MILS Data

Locations from the Mineral Inventory Location System within a five-mile radius of the area of the Agnews facility consist of industrial works including steel mills, cement plants and gravel pits, as of the late 1980s.

MRZ Data

The California Department of Conservation's Division of Mines and Geology Special Report (SR)-146 is the Mineral Land Classification for Construction Aggregate in the San Francisco Bay - Monterey Bay Areas. SR-146 specifies that construction aggregate consists of sand, crushed stone, and sand and gravel. The Milpitas base map of SR-146 shows the general vicinity of the Agnews East and West Campus facilities is classified Mineral Resource Zone (MRZ)-1. Lands within the boundary of a MRZ-1 classification is an area where adequate information indicates that no significant mineral deposits are present or where it is judged that little likelihood exists for their presence. SR

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146's compilation of aggregate operations in this area shows that there are no operations in the area of this mineral evaluation, except for some operations in the Milpitas area, 3-4 miles east.

Conclusion

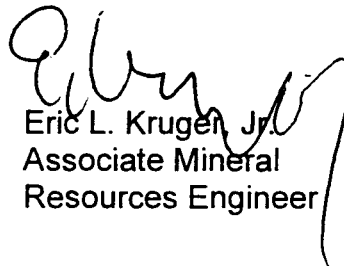
Staff concludes that geologically, there is moderate potential for mineral resource occurrences including sand and gravel in portions of Sections 22 and 23 containing the Agnews West Campus, but that economically, the feasibility for commercial mineral resource development is minimal. Current surface development including residential areas would preclude any mineral extraction. Therefore, the overall mineral potential of the area of the West Campus is low potential.

Recommendation

It is recommended that, if the State proposes to sell or otherwise dispose of the subject parcel, it reserve the mineral interest below a depth of 500 feet.

Staff Cost

Staff estimates 15 hours were used to complete the evaluation of mineral resource potential for the vicinity of the Agnews West Campus and to originate Commission documents and exhibits for this transaction, tentatively scheduled for consideration by the Commission at the July 11th meeting. At about \$83 per hour (reimbursable billing rate), the total cost for staff time on this project is \$1245. OREDS will be invoiced accordingly.


Eric L. Krugen, Jr.
Associate Mineral
Resources Engineer

Attachments: Site maps.

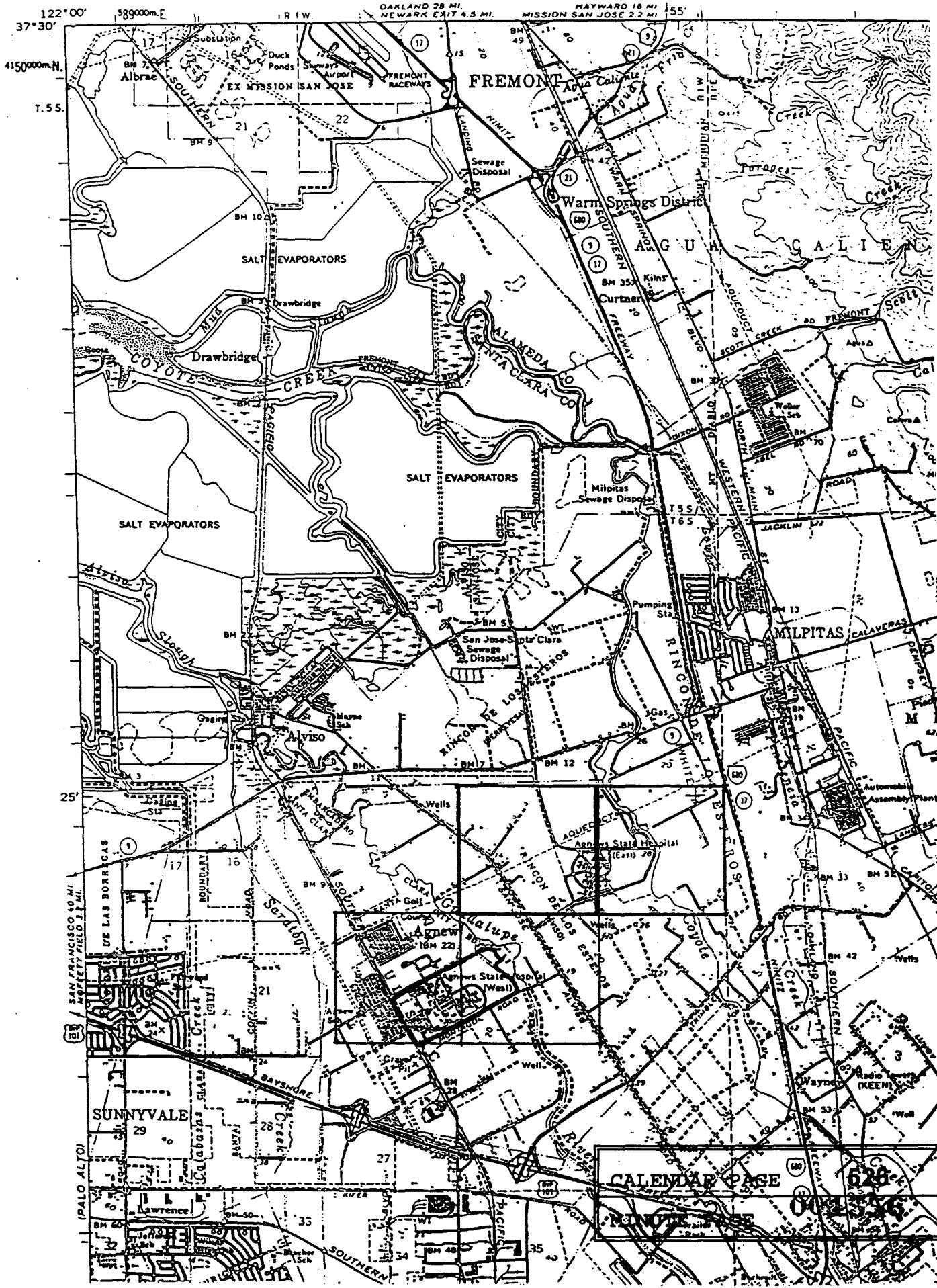
cc: Paul B. Mount II - w/o attachments.
Al Willard - " "

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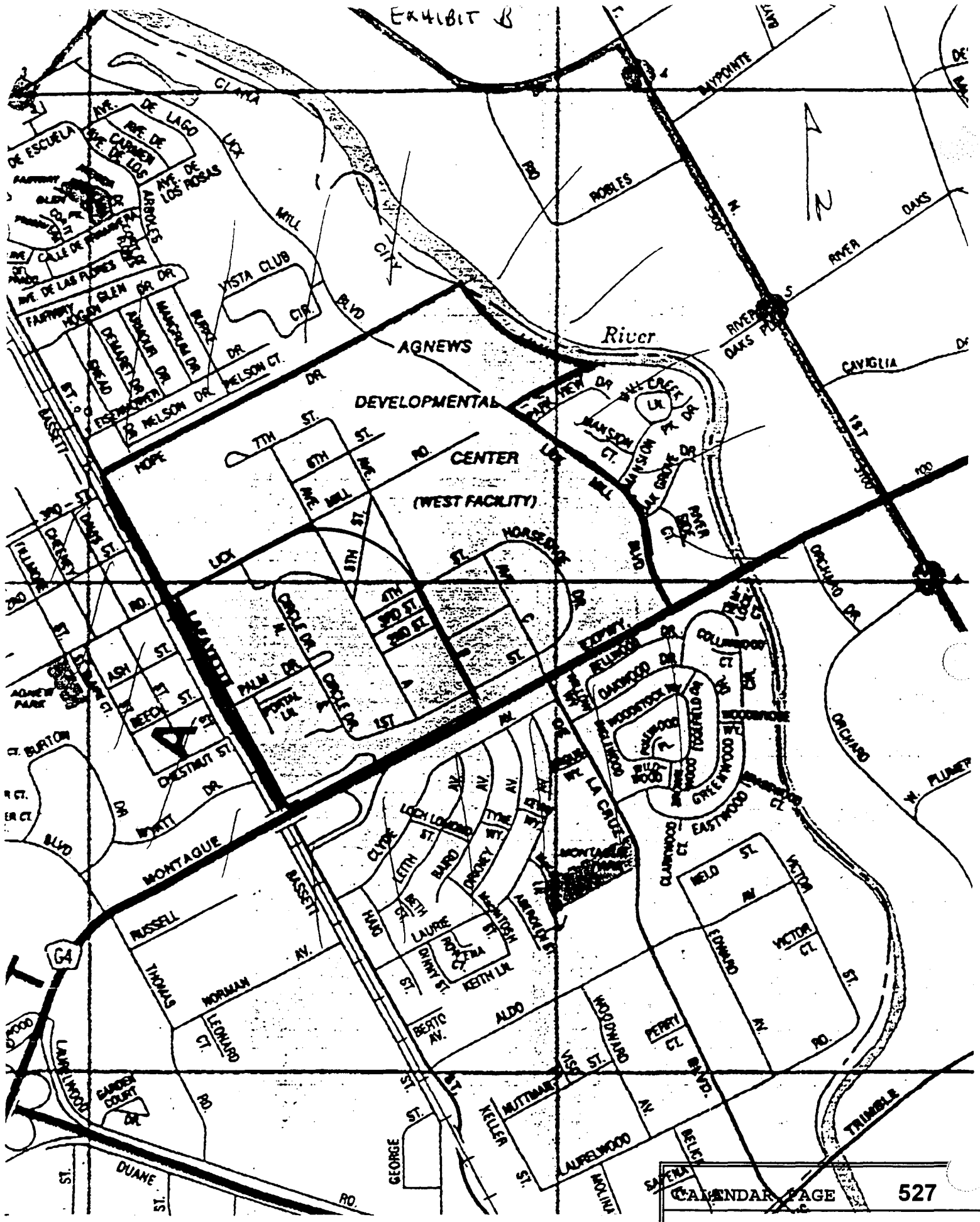
HAYWARD

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



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EXHIBIT B



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